

## INSTRUCTIONS

### Reporting FY 2000 Funding and User Counts for Operating Units

**REVISED 12/172000**

#### ***Purpose:***

User count and financial data are needed for Operating Units within each Area to compute the LNF percentages for FY 2000. For each **OPERATING UNIT** (see operating unit OU definition at the end of instructions) within the Area please report the following data:

- **BY 1998 USER COUNT (will later substitute 1999 counts if available)**
- **FY 2000 Funds Allowances to Operating Units**

A Microsoft Excel workbook is attached for reporting. Description and instructions for completing the workbook follow below.

Area finance/budget and program statistics office staff will contribute to completing the workbook. **The completed workbook is due by COB Wednesday, January 10, 2001.** Please email the completed workbook to Cliff Wiggins at [cwiggins@hqe.ihs.gov](mailto:cwiggins@hqe.ihs.gov). If you have questions, email Cliff or phone on (301) 443-1793.

### ***Completing the Workbook Sheet 1 "OU DATA"***

**Complete Sheet 1 "OU DATA" by entering the following data**

- **Operating Units** in column B (refer to definition of OU)
- **Comment** in Column C – optional explanation for the OU
- **User Count** in Column D
  - Enter the 1998 User Count initially. If 1999 becomes available by the deadline, we will substitute it. Note that the OU count for the Area must not exceed the official Area user count. Also, the LNF workgroup will examine data for users who reside outside the service area boundaries and determine whether to add these counts.
- **% of Services Purchased** in Column E – **NEW!**
  - Enter % of medical care that is purchased rather than provided by the in-house workforce. Poll the OU directly for this % or use financial data or workload data as a source. If the % falls outside the typical range, HQ will call to verify and determine an appropriate %.
- **County, ST for Majority of Referrals** in Column F – **NEW!**

## Instructions for Reporting User Counts and FY 2000 Funding with Areas

- Enter the County Name and State initials (e.g., Polk, SD) in which the majority of purchased care occurs. Poll the OU director or CHS staff to determine this location. Refer to the maps published in the StateMaps directory on the website to determine an appropriate county (do not forget to use the 2 digit state code also). A health care price index for this location will be applied when the latest data become available.
- **Metropolitan Area for Specialty Referrals** in Column G – **NEW!**
  - Identify the Metropolitan Area (see StateMaps on the Web page) in which the majority of specialty care services are purchased. Poll the OU director or staff to determine this location. A health care price index for this location will be applied when the latest data become available.

### **Completing the Workbook Sheet 2 “OU ALLOWANCES”**

The purpose of worksheet #2 is to report FY 2000 funding allowances for all OUs (operating units) within the Area. If Area financial accounts relate directly to OUs as defined, this step will be easy. If not, you may need to reconcile various budget/finance/contracting documents to come up with the appropriate allowances for each OU.

The total FY 2000 allowance to the Area is pre-filled in Column B of Worksheet #2 after you select the Area Name on Table 1 (pre-filling is done with a lookup in the national allowances source table). The total allowances within the Area to OUs, Area Office, Area-wide Program should match the Area allowance total shown in Column D.

Worksheet #2 displays budget activity items (e.g., H&C, Dental, etc.) as rows. The Columns will automatically display the names of the OUs listed in Worksheet #1. The task is to identify the amount of funding for each OU for each line.

### **Complete Sheet 2 “OU Allowances” by entering the funding data.**

- **AREA OFFICE \$** in Column E
  - Area Office means the traditional leadership, management, and administrative functions carried out by the Area Office. Do not include any area office tribal shares that were paid to contracts or compacts. Shares are part of the OU allowance totals.

### **AREA-WIDE \$** in Column F

- Area-wide activities benefit all Area OUs, but funding is not allocated to individual OU and is managed centrally. I suggest showing non-recurring allowances in this column, also. These \$ will be prorated among OUs.

## Instructions for Reporting User Counts and FY 2000 Funding with Areas

### **OU ALLOWANCE \$** in Column G-CC

- Report the \$ for each operating unit separately in columns G-CC (1 column per operating unit). If the Area Office wants to compensate for CROSS-OVER workload, adjust the allowances accordingly BEFORE entering data here. See CROSS-OVER discussion below.

### **NEW ITEMS !!**

There are several new rows (changes) compared to reporting last year. These changes were directed by the LNF workgroup.

### **DIABETES GRANTS** in ROW 33

- Report diabetes grants for each OU. The national total was >\$30 million. Until analysis of diabetes data are completed to verify an appropriate percentage, 67% will be assumed preliminarily to count against the benefits package.

### **FACILITY DEPRECIATION** in ROW 34

- **Leave blank.** Headquarters staff will enter the latest 30-year life cycle depreciation amounts when available early in January.

### **FY 2001 EARMARKS** in ROW 35

- **Leave blank.** Headquarters staff will enter any earmarks such as replacement facility staffing \$ based on appropriation language.

### **OTHER FY 2001 \$** in ROW 36

- **Leave blank.** Headquarters staff will enter any other \$ from FY 2001 based on decisions by LNF workgroup. (e.g., CHS allocations if known prior to LNF allocations).

### **AREA OFFICE SHARES TAKEN** in ROW 40

- Enter the total amount of "Area Office Shares" paid to a compact/contract OU in FY 2000. THIS AMOUNT IS CONTAINED IN THE TOTAL LOCAL OU ALLOWANCE IN LINE 38 AND IS NOT AN ADDITIONAL AMOUNT. Tribal shares payments will be deducted from "area-wide" funding amounts prorated to each OU so that tribal shares payments are not duplicated.

### **HQ SHARES TAKEN** in ROW 41

- Enter the total amount of "HQ Shares" paid to a compact/contract OU in FY 2000. THIS AMOUNT IS CONTAINED IN THE TOTAL LOCAL OU ALLOWANCE IN LINE 38 AND IS NOT AN ADDITIONAL AMOUNT. Tribal shares payments will be deducted from "area-wide" funding amounts prorated to each OU so that tribal shares payments are not duplicated.

***Make any “CROSS-OVER” Adjustments Among OU \$ Before Completing the Worksheet***

Last year, the worksheet included a simple % adjustment for users that obtained services in other OUs (e.g., medical centers are the most prominent example).

**This year, the sheet will NOT make any cross-over adjustments automatically.** If cross-over adjustments of funding are necessary in an area, you must do the analysis and make appropriate funding adjustments **PRIOR TO COMPLETING THIS SHEET.**

Most OUs see a small percentage of patients from all over the US in any given year. This usually amounts to less than 5% and represents a low random use by AI/AN who visit one-time. If non-local workload is less than 5%, the amount can be safely ignored. No cross-over analysis is necessary.

In a few cases, persons who do not reside in the local service area use a substantial percentage of local resources. Inpatient referrals to medical centers from other service units are the best example.

If your Area Office conducts a “source-destination” analysis to fully account for utilization patterns, submit the supporting tables separately. This will acknowledge that the reported allowances to OUs are not actual allowances, but rather are estimates of net resources. Typically funds are deducted for serving users from outside the local service area, and funds are added from other OUs which serve local users (e.g., funds spent on local users in medical centers for example). **IMPORTANT: the net adjustments among Area OUs must be zero (ie., total deductions in the area must equal total additions in the area).**

***A SIMPLE EXAMPLE***

OU 1,2, 3 each have an allowance of \$1m. Based on workload analysis, 10% of OU funds serve users living in OU2 service area. Also, 15% of OU2 funds serve users living in OU3. OU3 does not provide significant services to users outside its service area. What are the net crossover adjustments in this example? The cross-over utilization pattern could be much more complicated than this.

	<b><i>Allowance \$</i></b>	<b><i>Deductions</i></b>	<b><i>Additions</i></b>	<b><i>Net Adj. \$</i></b>
<b><i>OU1</i></b>	1,000,000	-100,000 (10%)	0	900,000
<b><i>OU2</i></b>	1,000,000	-150,000 (15%)	100,000	950,000
<b><i>OU3</i></b>	1,000,000	0	150,000	1,150,000
<b><i>Total</i></b>	<b><i>3,000,000</i></b>	<b><i>-150,000</i></b>	<b><i>150,000</i></b>	<b><i>3,000,000</i></b>

### ***OPERATING UNIT – definition***

A key part of separating users and funding within an Area is determining which sub-units are appropriate (service unit, tribe, hospital, clinic, facility, location, contract, compact, consortium, accounting location, etc.). Because the LNF model projects health care costs by multiplying price factors for individuals, the best way to sub-group them is by the delivery system they actually use. We call these units operating units.

The term **operating unit** refers to an Indian health delivery system unit through which eligible Indians access personal health care services. The term means sub-units of IHS Areas as actually operated, financed, and managed -- not some official and possibly artificial designation. Operating units are usually synonymous with **service unit**, but in some places, the official service unit status may not be updated to reflect how the current delivery system operates. The LNF Workgroup also uses the term **OU** to refer to an operating unit as either IHS, tribal, or urban. The key characteristics of an operating unit are:

- An operating unit is independently managed and funded separately from other IHS/Tribal delivery systems.
- An operating unit is located in and serves a defined geographic service area. The operating unit is the primary location in which Indian users in that area access health care services.
- An operating unit provides a broad range medical/clinical services in its locations with its employees, but may arrange, refer, or contract for specific services (e.g., hospital care, advanced care, dental, diabetes care, dialysis, etc.) -- a contract for a single type of health care service (e.g., eye care, etc.) is not considered a separate operating unit.
- An IHS/Tribal hospital together with its satellite ambulatory locations is considered a single operating unit.
- An ambulatory facility/location is either a:
  - Separate operating unit --- if it is separately funded and autonomously managed, has no operational ties to other Indian health facilities, and is the primary access location for the geographic service area, or
  - Part of a consolidated operating unit --- if it is one of several service locations within the geographic service area that have operational, funding, or managerial ties (e.g., consortia).
- An operating unit can be managed by IHS, or under contract/compact with a tribe or consortia of tribes, or by an Indian organization.
- A single operating unit can serve multiple small tribes/reservations -- a single tribe is not considered a separate operating unit unless the delivery system meets the definitions stated here.
- Several operating units may serve very large tribes spread over huge geographic areas (each user from the tribe is uniquely assigned to only one operating unit, however).